

## Message Text

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ACTION EB-07

INFO OCT-01 AF-06 ISO-00 ARA-06 EA-06 EUR-12 NEA-10 IO-10

AGR-05 IGA-01 SP-02 AID-05 NSC-05 CIEP-01 TRSE-00

SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00 FRB-03

INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03 LAB-04 SIL-01

L-03 H-02 DODE-00 PA-01 PRS-01 TAR-01 SAM-01 FEAE-00

/133 W

----- 083030

R 271138Z JUN 75

FM AMEMBASSY KHARTOUM

TO SECSTATE WASHDC 050

INFO AMEMBASSY ROME

LIMITED OFFICIAL USE SECTION 1 OF 2 KHARTOUM 1528

ROME FOR FODAG

E.O. 11652: N/A

TAGS: EAGR, EAID, SU

SUBJECT: CURRENT ECONOMIC DEVELOPMENT: US FOOD POLICY AND LDCS

REF: STATE 148311

BEGIN SUMMARY: AS PART CURRENT EFFORTS ENCOURAGE HIGHER PRIORITIES FOR AGRICULTURAL DEVELOPMENT IN LDCS, SHOULD BE NOTED THAT SUDAN, AND PERHAPS SOME OTHER LDCS, POSSESSES FAR GREATER CAPACITY FOR EXTENSIVE AGRICULTURAL DEVELOPMENT THAN INTENSIVE. ALMOST 100 MILLION ACRES OF UNUSED SUDANESE ARABLE LAND REMAIN TO BE DEVELOPED, OVER 90 PERCENT RAINFED. COSTS PER ACRE FOR DEVELOPING MUCH OF THIS NEW AREA NOT BELIEVED LARGE ONCE THE NECESSARY INFRASTRUCTURE ELEMENTS PROVIDED. IN FACT, KEY TO FOOD PROBLEM HERE LIES IN EXTENT TO WHICH INFRASTRUCTURE, AND NOT STRICTLY AGRICULTURAL, INVEST-  
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MENT CAN BE DEVELOPED. END SUMMARY.

1. EMBASSY HAS READ WITH INTEREST REFTEL AND OTHER RECENT COMMUNICATIONS HIGHLIGHTING CURRENT EFFORTS MOVE FORWARD ON WORLD FOOD PROBLEM. IN CONNECTION BOTH CURRENT MEETING WORLD FOOD COUNCIL IN ROME AND CGFPI SESSION IN JULY (PARA 8 REFTEL), SHOULD BE NOTED THAT SUDAN'S VAST UNTAPPED AGRICULTURAL POTENTIAL REPRESENTS BOTH SPECIAL CHALLENGE AND MAJOR OPPORTUNITY. COUNTRY IS ALMOST AS LARGE AS US EAST OF MISSISSIPPI, YET ONLY SOME 18 PERCENT OF IT ARABLE, REPEAT ARABLE, LAND IS NOW BEING UTILIZED. ACCORDING OUR ROUGH ESTIMATES, THERE REMAIN AT LEAST 92 MILLION ACRES OF GOOD LAND WHICH COULD BE DEVELOPED ON BASIS RAINFED AGRICULTURE FOR WHEAT, SORGHUM, CORN AND SOYBEANS. THIS WOULD BE SEVEN-FOLD INCREASE OVER CURRENT RAINFED FARM ACREAGE. IN ADDITION, AT LEAST SIX MILLION ACRES OF IRRIGATED LAND, MORE THAN DOUBLE AREA CURRENTLY BEING FARMED, COULD BE DEVELOPED FOR HIGH VALUE CASH CROPS USING WATER ALLOCATED TO SUDAN UNDER THE AGREEMENT WITH EGYPT. THE IRRIGATED LAND ACREAGE TOTAL COULD GO MUCH HIGHER (PERHAPS TO 25 MILLION ACRES) IF MODERN WATER CONSERVATION METHODS WERE SUCH AS THE NEW TRICKLE IRRIGATION PROCESS WERE APPLIED. UNDEVELOPED FARMLAND IN THIS COUNTRY THUS EQUALS APPROXIMATELY ONE-THIRD TOTAL ACREAGE NORMALLY HARVESTED ANNUALLY IN U.S.

2. AS TO ENCOURAGING LDCS TO GIVE HIGHER PRIORITY TO ACCELERATING PRESENT RATES OF AGRICULTURAL PRODUCTION (PARA 31 REFTEL), SUDAN'S CURRENT DEVELOPMENT PLAN ALREADY GIVES AGRICULTURE AND RELATED INFRASTRUCTURE TOP PRIORITY. KEY POINT, AS PARA 1 FIGURES MAKE CLEAR, IS THAT SUDAN'S BEST POTENTIAL FOR RAPID AND INEXPENSIVE INCREASE IN FOOD PRODUCTION LIES IN USE OF EXTENSIVE RATHER THAN INTENSIVE AGRICULTURAL TECHNIQUES. BUT WITHOUT INFRASTRUCTURE DEVELOPMENT, LAND TO WHICH THESE TECHNIQUES WOULD BE APPLIED IS USELESS. EVEN MORE THAN FERTILIZER, MACHINERY, FEED, ETC., WHAT THIS COUNTRY NEEDS IS TRANSPORT AND COMMUNICATIONS TO MAKE LAND ACCESSIBLE TO WORLD MARKETS. WHEREAS CHIEF BAR TO RAPID DEVELOPMENT SUDAN'S FOOD PRODUCTION POTENTIAL IS INFRASTRUCTURAL RATHER THAN AGRICULTURAL MUCH OF WORLD DISCUSSION FOOD PROBLEM HAS TENDED FOCUS ON STRICTLY AGRICULTURAL SOLUTIONS. FOR EXAMPLE, FAO HAS REPORTEDLY PLEDGED \$50-60 MILLION LIMITED OFFICIAL USE

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FOR AGRICULTURAL PROJECTS IN SUDAN AND IS SENDING "SECTORAL REVIEW MISSION" HERE LATE IN YEAR TO UNDERTAKE WHAT EVIDENTLY IS REQUIRED ANALYSIS. MEANWHILE, PRIVATE FARM SCHEMES REMAIN UNATTRACTIVE TO INVESTORS BECAUSE OF ABSENCE SUPPORTING INFRASTRUCTURE. THIS HAS PRODUCED SOMETHING OF CHICKEN AND EGG SITUATION WHICH IS SLOWING AGRICULTURAL DEVELOPMENT HERE AT VERY TIME WHEN WORLD NEED FOR MAJOR ADDITIONAL FOOD INPUTS IS BECOMING CLAMANT.

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R 271138Z JUN 75

FM AMEMBASSY KHARTOUM

TO SECSTATE WASHDC 0051

INFO AMEMBASSY ROME

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ROME FOR FODAG

3. TO BREAK THIS VICIOUS CIRCLE, NEW ORGANIZATIONS NOW  
FOCCUSSING ON MOUNTING WORLD FOOD DEFICITS WILL HOPEFULLY  
BE AUTHORIZED PAY SUFFICIENT ATTENTION TO NEED FOR NON-  
AGRICULTURAL DEVELOPMENT IN ORDER MAKE RAPID AGRICULTURAL  
PROGRESS ECONOMIC IN COUNTRIES WITH SUCH LARGE AGRICULTURAL  
POTENTIAL AS SUDAN. REPORTED \$1.25 BILLION FUND WHICH OPEC  
COUNTRIES SAID TO BE ALLOTING TO SPECIAL AGRICULTURAL FUND FOR  
INVESTMENT AT CONCESSIONARY RATES COULD BE USEFUL IN THIS  
CONNECTION. SOME SUCH SPECIAL FUNDING TO HELP BREAK  
TRANSPORT AND COMMUNICATIONS BOTTLENECKS WOULD BE "OPEN  
SESAME" HERE FOR AGRICULTURAL DEVELOPMENT. ARRANGEMENTS  
COULD NO DOUBT BE WORKED OUT UNDER WHICH SOME OF RESULTANT  
NEW CROPS COULD BE MADE AVAILABLE TO INTERNATIONAL FOOD/  
POPULATION ORGANIZATIONS FOR LOW-COST DISTRIBUTION. FROM  
THIS VANTAGE POINT PRIORITY NEED WOULD SEEM TO BE  
MARRIAGE INTERNATIONAL SOURCES FINANCING WITH ORGANIZATIONS

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HAVING AGRICULTURAL EXPERTISE. LATTER, NO MATTER HOW WELL FINANCED, MAY OTHERWISE UNDERSTANDABLY TEND FOCUS ON STRICTLY AGRICULTURAL DEVELOPMENT IN LDCS, WHILE BULK NEW FINANCING CONTINUES TO BE DEVOTED TO REVENUE-BEARING SCHEMES OF GREATER IMMEDIATE INTEREST TO SPECIFIC LDC RECIPIENTS.

4. THERE IS NO BLINKING AT MASSIVE NATURE FUNDS WHICH SUCH APPROACH MIGHT REQUIRE. TO EXTENT AMOUNTS MIGHT BE FORTHCOMING, HOWEVER, WE BELIEVE THE NECESARY ADDITIONAL AGRICULTURAL INVESTMENT REQUIRED TO DEVELOP THIS COUNTRY'S POTENTIAL RAINFED AREAS WOULD THEN BE FOUND BOTH REASONABLE AND AVAILABLE. THIS CONNECTION, WE ESTIMATE THAT COST DEVELOPING SECOND MECHANIZED FARMING PROJECT HERE (432,600 ACRES) CAEM TO ONLY \$35 AN ACRE.

5. FOREGOING COMMENTS ARE DESIGNED BRING INTO SHARPER FOCUS ONE ASPECT FOOD/POPULATION PROBLEMS BY MAKING CLEAR IN CONCRETE TERMS THE MASSIVE UNTAPPED AGRICULTURAL POTENTIAL THAT EXISTS IN AT LEAST ONE LDC WHICH COULD BE DEVELOPMED TO SERVE THE WORLD COMMUNITY ONCE PROBLEM OF INFRASTRUCTURE FINANCING RESOLVED.

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## Message Attributes

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**Copy:** SINGLE  
**Draft Date:** 27 JUN 1975  
**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
**Disposition Authority:** KelleyW0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
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**Disposition Remarks:**  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Line Count:** 197  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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Margaret P. Grafeld  
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**TAGS:** EAGR, EAID, SU, US  
**To:** STATE  
**Type:** TE  
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